# FINANCIAL TIMES 

 recent dismissal of tts chief exeentitve atter one the most open shareholder revolts seen to the City
of Lomdon Paige 17

Kerkorian
Rioting in Libya leaves 'up to 50' dead

Challenge to Notanyahu avertad. A potentia)

 Jerusale
 In the country hive expressed frustration to US.
national security adriser Anthany Lake over the
 HSBC Holdingss is seeking to acyurire a
 bracketoking soch an acquisition in the order of $\$ 860 \mathrm{~m}$. Page 17
TV/Net service haviches: MSNBC on the
 starts broadcasting today - the frist poprposebo
integrated TV and Net news service. Page 11

 Nacional and Itamanarit to foim the
biegest private sector bank Rage is That contral bank Fears for the integitty and were reneewed after attemptst to likk its new gover
nor to an alleged land scand nor to an alleged land scandal Page s
Orand prix victory for velioneuve: Canadian
 verstone His victory cutt to 15 points Daman
lead in the world drivers' championshblp. Europoan Monotary systiont There wis hittle
 sliegtry by expectations that German interest rates
have toppeed falling. Meanwinhe, the guld have se slightly stronger this week after an nner-
pected Dutco interest rate rise late on Friday. Curar

 emerges as late entry in race to buy MGMM Ey Grintoppher Parkoses. | Mir Kirk Kekhorlan, the veteran |
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| corporiate radider, , has emerged as | surprise challenger in the fmal

stages of the race to buy Mcal that lat top Hollywood studio
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 Deutsche arm set to end ING staff raids
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## Congratulations

THE MAGIC PUB COMPANY
on the sale of the company to GREENE KING plc

The management buy in of The Magic Pub Company in June 1994 was led by
Cinven

Cheers!

Decision on Azeri oil pipeline contract this week By Robert Corine and
Bruce Clark A cootract to oversee the
reconstruction of an oil pipe
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Bilack Sea will be awarded this
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The The announcement by a Bp.
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players in the region: the west
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The Azerbajijan Interntiona
 is considering bids from at
least five companies for tbe
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pian to Supsa on the coast of The contenders are under
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and Brown and John Brown Tane AIOC. the other partici pants of Whicb include Luko
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sesom. Tbe consortium has sought financing for the proj.
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 peecor mank fing, and the Euro
pend Developmentrint but haction
and and Development, but has also
said it will fund he wort rrom
its own resourres if necessary.


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and it may weaken the will of
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 ed by Genreal Pavel Grachev,
dhe former defence minister.

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Lamfalussy wants central bankers to curb speculation by spelling out method of calculation in advance

## Move to calm fears over Emu exchange rates

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German budget puts pressure on Paris
France may have to try harder to meet Maastricht criteria for monetary union



## Chirac calls for

 big reduction in interest rates| avid Owen in Paris | with the worst problems "used |
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| Presldeot Jacques Chirac Sesteriay used the annual Bas- |  |
|  | tbe management of the Trea- |
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| lower French interest rates. | assuring this cootrol. And I |
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## Italy's PM digs in his heels

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Italian strikes anger airlines A strike today by Italian airport staft has prompted foreign
anilines operating in itraly to
minister about the impact of main to thistral action in in the the air minister abourt the impact of mdustrial action in the air
transport sector
forions representing airport employees plan to stage a four-hour stoppage in protest at plans to transform airport
operators into joint stock companies, as a a prelude to
privatisation privatisation
TRAR, the essoclation of airlines operating in Italy, sald in
its letter that recurring indusstrial action, particulariy in the
peat
 its unions over restructurling, but separate publicsector
disputes with air traftic controilers and airport staffithaye not
been resolved Ifo paints better German picture
 In a study cormissioned by the Booun economicica minilistry
Ito said a positve picture" emerges of Germany as an
 costs and generous depreciation allowarices. However, it
warded that Germayrecult on remain competivi it
productivity stayed above that of other countries. The institute, which is one of Germany's leading economic
research bodies, also crticicsed high taxes on retained earnings
which which weakened tha capitalisation of small and medium sized
comppanies. Ithouyuh lower taxes and non-wage labour costs
would be beneficlal
 deregulation faster investment approval procedures, fewer
rerstictions on market access for companies and more liexila
labour
 Cheap labour loses its allure, Page 3
US training for Bosnia army

 In the team was General Vernon Le Lewis, an artillery officer
with three combat tours who in 1987 founded a private
 his depaty, Gen Cari V Yono, who was arryy chief of stail
during the invasion of Panama and the Gulf war.
Training by the V


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## European Union leaves Swiss to swing in the wind

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Hanoi complains that it is taking too long to cement economic ties US－Vietnam frustrations mount

## Thai central bank chief under fire



INTERNATIONAL NEWS DIGEST

## Swiss unmoved on IMF gold sale

Britain and the US appear to have failed to persuade－
Switterlavici to trop its opposition to sales of part of tis


 reserves to ftrance new trans－Alpine tumnels，they wamed



Borneo dam contracts awarded







US－Japan semiconductor talks

 vitile proertes．The semiconductor accori，which guarantees us producers 20 per cent of the Japanese uhwet，expmes at


NZ sell－off compensation The Auckland High Court bas ordered the government to pay














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## Cheap labour loses its allure for investors

By Guy do Joncuierses



## Atlanta readies for the first Commercial Games

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## Religious challenge to US takes up arms against sweatshops

## Netanyahu averted

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 Beniamin Netanyahu, wbo retarred to Irrael last night from his
first US visit as itt retracted his threat, saying An accord on ceasefire mon he was assured the incident itaring in Lebosanon man
will be investieated futher.
reached at the weekend in




## CONTRACTS \& TENDERS

Issue of Preliminary Tender Documents in Connection with a Public Invitation to Tender concerning Mobile Communications etc.

| As part of the liberalization of the Danish telecommunications market, The National Telecom Agency will conduct a public tender concerning DCS 1800 moblle communleation network licences with the associated basic services. | that tenders for a DCS 1800 Ilcense will only be included In the National Telecom Agency's final evalusation of tenders if an indication of interest has previously been submitted on the basis of the prellininary tender documents, indications of interest |
| :---: | :---: |
| The fender documents relating to the National Telecom Agency's public tender concerning DCS 1800 mobile | shall be submitted to the National Telecom Agency no later than 15 August 1996. |
| communication licences will be available on 15 July 1996. All interested parties may from the 15 July 1996 obtain the tender documents from the National Telececm Agency on prior payment of DKK 62.500 (inchuding VAT) to the National Telecom Agency. | Simuthaneously with the issue of finail tender documents for DCS 1800, the National Telecom Agency will lssue tender documents conceming ERMES network licences with the associated basic aervices. The fee for the tender documents conceming ERMES is DKK |
| The tender documents are of a preliminary nature and will be supplemented with a final set of tender documents that is expected to bo issued on 16 September 1996. Al parties who have bought the preliminary tender | 12,500 (including VAT). However, subject to request, the tender documents will be dalivered free of charge to all parties who have bought the preliminary tender docurnents conceming DCS 1800 . |
| cocuments will receive the final lender documents without further payment. | Enquiries conceming the tender documents should be directed to the |
| The National Telecom Agency wishes to point out to interested partios | Natoonal Telecom Agency, Regulatory Division, Holsteinsgade 63. 2100 Copenhagen ס, Atm. Naja Feltor. |
|  | National Telecom Agency Denmark |



## NMENATIONAF PRESSREVEYM

## Helms-Burton the

## target for media ire


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Flotilla avoids clash with Caba




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Nattons Security Council to condemn Cuba for the shootlted
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 Arms barge sinks in Suez Canal





## Component makers target Asian business

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## Politicians seek

to mend relations over $\mathbf{N}$ Ireland


## Dismay grips peace seekers

New Ulster violence leave governments floundering and furious


IRELAND.

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## erve each of their internatlonal markels.

If you are looking for the best location for your call centre. look no further than Ireland: thanks to our advanced telecommunt
call rates.
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THE CALL CENTRE OF EUROPE

UK NEWS DIGEST
Row over BBC comes to head



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In an
an open letter to peers Mr
Tasa Io an open lectier to peers Mr Thasa yestericy appealed to the




## a BUSINESS OPINION

Optimism on order books wanes


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halif of the year. this will make the outtiook For the public


 reverse the deciline sean in the previous quarter.


## - nuclear privatisation

British Energy shares at 203p





 MBSKYB

## Lloyd's gets US backing for deal

| By Raliph Atkina Anskrance Corre | plan and are tareatening court action to force improvernents But Mar David Rowland, |
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| Lloyd's of London prepares | Llogit's chairman, hitated yes- |
| today for one of its most mpor- | terday that any delay for |
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New rugby tourmament possible


 Twickenhamm stadium neerr London, was yesterday assessing Nations eroupp to exclude Eneleand from the championshi
In a statement yesterday the English RFU expresed In a statement yesteriay the English Reru expressed
 - NATURAL GAS

Industry warns of usage threat







## Drop in car dealer numbers forecast

| Franchised car dealers still | tancy, Sewells International, which projected a 40 per cent | charges) and tight cost con trols to date have allowed UK | accounit for nearly 40 jer cent |
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|  |  |  | of the 2an new cars, approx: mately, that are sold in the UK |
| ena the yeare in 2000 dibe disple | cut in the number of UK flanchised dealers, to 4,600 trom | profits than counterparts in other European countries | every year. are sold in the UK. |
| Hon te | the carrent 7,400 , within the |  | tant to trust such groupe and |
| -driven change in retaling | next decade. Inadeqnate | dealers in the US, the study | allow them to innovate on |
| the number of dealers will |  | It produces statistles show. | . their own terros. This is partiy |
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| ders' own trade body, the | ness it |  | dictate terms in the griocery- |
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| The report is being published |  |  |  |




## Sharpening up the cutting edge



##  relevant discipipines, such as the and economics. He alaso happens to be an alumnus of the universty. which he attended as a Harvard. which he attended as a Harvard scholar fint time may be ripe for such an intititive. Corvorate eg overnance -      improve their financílal perfor- mance There are also sigus that in both the US and the UK the pature of the  



 Solutions to a global problem
 unaccounutable power to a free
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area
 Critics think Monk's description
fill
fill of corporate power is exagzerated
and point to the reactica l problem amd point to the practical problem
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|  | right. He rocked the board of Sears |  |
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"In the century to come, as multinational companies create the borderiess world of that corporate power is compatible with the rights of individuals"


Disability:

The science of employee selection


##  the larges concennations of Asia - Paciicic manufacturninin invesmention Europe. <br>  hith quality suporit thundrase of manuticturinig and senices ivestiment No mater how large or small the projecti is <br>  THE NORTH OF ENGLAND <br> SAMSUNG, SIEMENS \& FUJITSU <br> Share something special <br> Tokyo Tel: 81334502791 Fax: 81334502793 \& Seoul Tel: 025986071 Fax: $0259860773 *$ Chicago: Tel 7085936020 Fax: 7085937127 \& Head Office: Nowcastle upon Tyme (11 44191 ) 2610026 Fax: (11 44 191) 2339000

# FINANCLAL TIMES COMPANIES \& MARKETS 

Othe financial times limited 1996

Monday July 151996
$\underset{\text { search in }}{\text { HSB }}$ Nestlé forecasts strong profits on water
for US
bank buy





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David Buchan and David Owen report on the progress of Thomson's impending privatisation
France weighs up its options for a defence alliance

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## Costain warns of administration








 Eurotherm rebels scent victory





पSIBE
Bacode cietito:

## COMPANY NEWS: UK

New umbrella structure will reduce back-office costs by about $£ 50 \mathrm{~m}$

## BAT set to group financial divisions

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and Potor John

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L\&G makes switch to Schroders Legal \& General, the life gan marks a formalisation of a
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Semain as corporate brokers to




SPOT THE REFUGEE


## Spin-off Brand holds the to value Imps at £2.3bn <br>  of Liberty

 annamion
## StandChart alliance to end







FINANCE

## Elusive benchmark of emerging markets

Philip Coggan, Markets Editor, examines the advantages and drawbacks of a range of indices.



## The Republic of Argentina

## NLG 250，000，000

7．625\％Fixed Rate Notes due 1999

## issued under the

U．S．\＄8，000，000，000
Euro Medium－Term Note Programme

ABN AMRO Hoare Govett

## iNG Barings

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| Caisse des Dêpôts et Consignations | Commerzbank Aktiengeselischaft |
| CS First Boston | DG BANK |
| Dresdner Bank－Kleinwort Benson | Fortis Investments |
| van der Hoop Effektenbank N．V． | HSBC Markets |
| Kredietbank International Group | MeesPlerson NV． |
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| Paribas Capital Markets | Salomon Brothers International Limited |
| UBS Limited |  |

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NIBStrating Securities N．V．

UBS Limited

We are pleased to announce that
The Chase Manhattan Bank，N．A．
and
Chemical Bank
merged on 14th July， 1996

The name of the merged bank is
The Chase Manhattan Bank

# FINANCIAL TIMES MARKETS <br> THIS WEEK 

financtal times monday july 151996

## Global Investor／Peter Martin

## The demise of hyper－inflation



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 Siemens set for growth as restructuring costs fall
Slemens，the German
lectronics company is expec ted to report todayy that expech．
ingin in tbe nine month to
June rose aboun June rose ebobut 20 porer cent．
confirming company projec
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Howarer，the growth in earn－ Heorever，the growth in earn－
ings is likely to come trama
combination of lower restruct． uring cossts and there restruct． eeriodical pension concribu．
ions，rather than an improve．
nent
ln operating perfor－ nanco，say analysts．
Enophfurt Spanish banks：The first．

| half earnings saason for ted to kick off on Wednesiry． when Banco Bilbao Vizcaya is due to report． <br> BEV is expected to show tha strongest growth in earnings， with net interest incoma increase，analysts said．All Spanish banks are expected to show similar earnings growth to that registered in the first quarter <br> First－half results will be cbaracterised by weak loan demand，with interest income margins stablising atter fall． ing over recent years． <br> Most of the profits growth will be provided by strong growth in revenues from trea． commissions because of cash inflows into investment funds and lower non－performing loans． This month also sees results |
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## WORLD TAX REPORT





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FINANCIAL TDMES MONDAY JULY 151996
MARKETS: This Week



## Traders facing uncertainties




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| PARIS | economy and its continuing need for monetary easing to |
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| The French equity market has been downgraded by a number | mine the financial markets." But there could be a silver |
| of brokers over the past wreek, | Uning in that compantes have |
| and others are set to follow, | begun |
| wrices John Pith J.P. | "Although the state continumes |
| has | to medde in corporate deci. |
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Cyber-Val deal raises tensions between banks




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RENANCLM TIMES MONDAY JUYY 151996
CURRENCIES AND MONEY












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Domes pushes proces

# Israel 

Israel's new prime minister may find his plans for radical reforms are frustrated by divisive political battles at - home and upheavals in the Middle East peace process, writes Julian Ozanne

## Domestic agenda

 pushes peace process aside



Some people think
HE WORLD IS GETTING SMALLER.
AT BANK LEUMI THE WORLD
OF INTERNATIONAL TRADE
-


## 2 ISRAEL

E The economy • By Julian Ozarne
On course for a soft landing
While cutting the budget deficit is the central problem facing an overheated economy, reforms are likely to mak
Israel more attractive to investors



## Assets that will not move

Ministers will find that a speeded up sale of state assets than done
Upoo assaming office last yant, Mr Beniamin Netan.
pledged coe prime melnister. pledged comprehensive privati:
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##  <br> Discount Investment Corporation Ltd. <br> Active since 1961 in the establishment and building up of many of Israel's leading business enterprises in the fields of: <br> - High Technology <br> - Communications <br> - Basic Industries - Energy. Shipping and Services <br> 1995 combined revenues of industrial and electronic US\$ 2 billion <br> Average yearly growth of $15 \%$ in net profit in real terms over Uhe last years. <br> Internatonal meestors sharing in our investee companies International Paper, Kimbernational. Clark. Pellisouth, . International Holdings <br> 14 Bet Hashoeva Lane, P.O.B. 1688, Tel-Aviv <br> =IDB





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market. calming it is not suffi-
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## - Polities: - By Julian Ozame <br> Cabinet is a minefield for new prime minister



## एनाप

Teva Pharmaceutical Industries Ltd U.S. $\$ 70,000,000$

Multicurrency Term Loan Facility 1996-2001 Arranger:
Union Bank of Switzerland


## DG Beank kelkr




## © Banking－By Yaroslav Trofimov <br> First of the lean years？

After the golden years，the banks are in for a period of discipline and retrenchment
The recent years have been
unusually kind to strael＇s

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thace painful structural changes face painful structural changes
caused by legislatl privatisation and thicreased
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Maxico．Everyone iver here has severab bank accounts，and
it is probably an overbanked
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## Thorny questions on the long road to peace

| Contimned from previous page |  |  | Syria＇s position towards israel． | Second，whereas Mr P |
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－Israel Discouint Bank－By Yaroslav Trofimov A iecutives at Lsraet＇s




Irowth will come from expanding our international activities．
Benjamin D．Gaon， President \＆CEO，Koor Industries Ltd．

## In 1995，Koor Industries，

Israel＇s largest and most profitable industrial enterprise for sixteen consecutive quarters， became the first Israeli multinational
listed on the New York Stock Exchange（＂KOR＂）． The company enjoyed a $24.5 \%$ return on equity and earned a ner income of $\$ 156$ million on sales of $\$ 3.3$ billion．

## The group＇s core businesses：

Telecommunications \＆Electronics；Agrochemicals
Building \＆Infrastructure Materials；Energy \＆Transportation； Food；Tourism \＆Real Estate．

## A 64 －page company profile will tell you more．

Koor Industries Ltd， 4 Kaufman Street，Tel Aviv 61028，Israel． Te：972－3－5195201 Fax：972－3－5195353
Koor 2000， 1270 Avenue of the Americas，Suite 2307，New York，NY 10020. Tel：（212）765－5050 Fax（212）765－3375

## The resources to tip the scales in your favor．

Wherever your business takes you，worldwide；we can go the distance with you．As one of the 300 largest commercial banks in the world and a leading entity in lsrael，we can be an asset in your dealings．
 Wih tola assels excreeding \＄22 bilion，we
provide arr custamers with refable senvice． Our professionalism is evident in project financing government approved enterprises，industrial construction schemes，housing projects，investment securities advisory services，foreign trade services， foreign currency operations，trusteeship services and individualized private banking．
We offer our customers a comprehensive and diverse range of banking and financial services in 260 branches，subsidiaries，agencies and representative offices in major international financial

Discoumt－Underwriting and Busines Promotion，Tal Aviy．
$\rightarrow$ Insount Bank oftering isned subsiditiary of Isral invesiment banking senvices in the lsraet capial markets． t specializes in inderwining and private placements，as well as mergers and acquisitions． $n 1995$ Israel Discount Bank
if sevice to its customers．

Our extensive and well established network of more than 2000 foreign correspondent banks in 93 countries，complements our strong presence in North and South America．
lrael Dlscount Bank of New York，New York
A New York State chartered commercial
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Dlscount Aank（Latifn America），Wontevidea A fitl seervice commercial bark，ranked among acitrites mainly a regional orientation in America．





D ISRAEL DISCOUNT BANK

## Darling of the stock market

There are special reasons why a recent offering of IDB shares went through the roof，despite a widely depressed market


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■. Company profilez ECI Telecom - By James Harding

## An audible voice in a global market

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DAVID'S VILLAGE - AHOME OF DISTINCTION IN THE HEART OF JERUSALEM

renowned center. It will inclide exclusive restaurants, shopping center magnijicent park.
Residents of the unique homes in David's village will have the option of enjoying the pool, fully requipped sports
club and other luxury facilities of the nearby Serusalem Hilton Hotel.
Thrree major construction companies are belind Davids VIllage: Afica Ismed Inversmentis (a member of the Bank Leumni Group), Al-Ro (Israel), and U. Dori. A mainuenance compury will underground car park and internal roads, security system. Choice of harary homes
2,3,4 and 5 room houry apartments with gauden of terrace, or a hopury penthouse David's Villogen Nafting will ever compare
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## - Telocommunications - By James Harding

## Innovative electronic towers of Babel

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privatisation; and the govers







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## 6 ISRAEL

E Clobal trade - By David Gardner
Harvest of the first fruits

The benefits that follow from the Arab boycott are too valuable to lose The Middale East peace process Yor ryral. enabuing it to roneak
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overall increase in exports of 3 per cent. The oxpifice of Israel's chief scientist hase moree
than 3.000 hightech start-ups




The Financial Times plans to publish a Survey on

## [MF/ World Bank World Economy \& Finance

on Friday, September 27.

- To coincide with the IMF/Worid Bank meetings in Washington in 1996 Special distrlbution to 6000 delegates at the meeting New emerging markets section.
The FT is judged as the world's most important financial publication worldwide.Source: ING Bank Survey 95.

For further information please contact
Hannah Pursall in London
on +441718734167 or Fax + 441718734296 or Tim Hart in the USA on + 12127524500 Liz Vaughan In Hong Kong on +852 28682863.


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| Ecowomy | 1985 | 1988 |
| Total Coppepon).....is | ${ }_{8.1}^{86.7}$ | ${ }^{94.5}$ |
| wh $\qquad$ | 15,468 | 16,435 |
| Components of GDP ( $1994, \%$ )... | 61.6 | a |
| ${ }^{\text {Prasememment }}$ Conssumpt | 29.2 | Na |
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| Forreign exchenge. | 81 | . ${ }^{5}$ |
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| BR (\% of © ©pip | -2.8 | -3.0. |
| Money supply mex (\%). | 19.85 | -5.41' |
| Stock mikt indox (*) | 32.1 |  |
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## E Stock market - By Julian Ozanne

## Turnaround may be in sight


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Minat


Case studyr the state－sponsored Technological Incubator Programme－By James Harcing

## Successfully hatched and matched

How a bright idea won support from five venture capital funds
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The flow of venture capital is the key to the remarkable
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Israel＇s＇silicon valley＇
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#### Abstract

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MAKE THE AMIERICN COOONY YOUR HOME FROM HOME
AND ADD YOUR NAME TO THERS．


ISRAEL 7

Which is why our combination of network and reputation brings ace

## E Tourism • By James Harding

## Tender flower of peace <br> A breakthrough in

developing mass tourism is highly dependent on the climate for peace Fising out to grael, by peoplo e eontur ound wed-
Not the same wedding, of



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## ISRAEL'S FREE PROCESSING ZONE:

## A GOLDMINE IN THE DESERT?

The barren fields of the Likit area in southern Israel may not look like a goldmine to most people but.

 statatoror bect
The origins of the project are with a group of American businessmen, who lobbled the govermment to create a Free Processing Zone simiar to trose found in many othe
countres. They argued that Isreet could atract considerable countries. They argued that isriel could attract considerable
foreign investment, if it set aside an area in which businesses could escape the red tape and relatvaly heany taxes which
Several months ago, the 'government completed the
necessary legisladon, and the area of Likit, 4 milles northeast of the southem city of Beersheva, was chosen as a sultable site. By mid-April, the Free Zones council had publlshed an intemational tender, II search of a concesslonalre to plan
bulld and operate the area. bulld and operate the area
The Idoand behtind the Zone $i s$ to attract Industrtes and
compenices which have not yot done busthoss $m$ In lsrael




According to the new legislation, businesses operating In the
Fiee Processing Zone are exempt from trcome tax, and any Free Processing Zone are exempt from income tax, and any other durect or madrect tax for a period of twenyy years. The
sole exception is an up to $15 \%$ tax on disstibuted profits. On solo excespion is an Lp to $15 \%$ tax on distibuted profits. O
ine other hand, bustmesses in the Zone will not be elifigle fo
goverment govermment grants.
Imports and exports of goods will be free from taxes, with the
exception of sale of goods to Isreel. which will be rexarded exception of sale of goods to Isreel. which will be regarded as
the importing of goods hnto Isreel and will be subject $t$ indirect the imporiting of
taxes and var. In addinion, bushesses will beneft from expedited registration
procedures: the Free Zones Council will have sole
responsibility for issuing business permits for the Zone. If the responsibility for issuing business permits for the Zone. If the
Council does not decide upon applications within a 52 -da Council does not decicie upon applications within a 52 -da
period, the license will be considered to have been lssued as
requested. requested.
 The Lnit site. chosen from a list of 12 possithe sites, is considered by barak to be ideal for the Zone. It is very nead
the metropolitan area of Bearsheva, with a university and a technological college whlect turn out thousands of yraduates each year. And it's only an hour away from Tel Aviv." says Barak, adding that the area is close to a ralliroad line, and
within reasonable proximity of two ports: Ashdod, which wthin reasonable proximity of two ports: Ashdod, which
serves Europe and the United States, and Elat, which serves the far East.
The Zone will be run by a concesslonalie, chosen in an open, international tender. Barak notes that the wrneer of the tender is likely to be a consortium, which will include a real estate
developer, a bank or an investmant bank and an intemational compary that will have tite abbility to locate and attract appropriate businesses to the Zone.

- The tonder is not about money - the price of the land is


The concessionere will be responsible for planning the Zone. or rent the buildings or land, and to provide municipol and Zone and overseas - all of which are expected to provide a handsome income.
The concesssionaire will be granted the exciusive rights to the Indeveloped land (around $\$ 55,000$ per acre) Howner ther concessionaire will not be required to purchase all the land at cearrand will have the right to purchase parcels of land at prearanged intevals - and at the orfgnal price, no matter how
much the market price has Issen in the interim.
Accordilng to Barak, the price of the land represents a
significant discount compared to the price of similar land in the area. - An acre of land, thcuuding development, in the Beersheva industrial area costs around $\$ 400,000$. The concessionaire will probbbly end up paying some $\$ 200,000$ 250,000 per acre," he says.
The price of the land is expected to rise over time, so that
when the concessionaire mekes subsequert purchases, the When the concesssionaire makes subsequent purchases, the greater, she adds.
Applicants to the tender will be asked to submit letters of intemt from companies interested in opening plants in the
Zone. The applications for the tencor will be jugrged on the zone. The applications tor the tender will be judged on the
basis of these letters of intern as well as the group'a business plan - how much they intend to bulld and how many jobs they can create. The eroups will also be asked to submit
some preliminary architectural plans. In addition, the tender includes a In addition, ine tender hoduces a minimm capital requirement
of $\$ 100$ milioion dollars. of whlch $\$ 40$ million must te palithn caphat, and the additional $\$ 60$ million in owner loans. The inners will be required to committ thersselves to buik
750,000 square meters in 10 years. According to a sample 750,000 square meters in 10 years. According to a sample
30 -year $u$ usiness plan prepared for the council, the soncessionaire can expect to topest some 5515 million in the
moject.
he sample plan also shows that the winner of the tender will Cone the opportunity to reap considerable profts: the 18.1s per year. The plap shows that int hernar group wilt of return a profft from the third year of operation. By the fith year. profits will
grow to $\$ 23$ million a year. and by the tenth, they will level off at $\$ 66$ mivilion a year.
According to the plan, the Net Present Value of the zone
licensen's cash flow, evaluated at a $10 \%$ discount, over a year period, is $\$ 151$ million. imestors can expect, accorring to the pl
year.
Thus far, Barak says. only a handifil of isreell Investor groups heve purchased the $\$ 10,000$ terder application, thouyth many inters. including some fortign groups, have expressed participants in the tender, and partcularty foreiein poarticipents. Secause of this, the Free Zones Councli is intending to ask the tender, which is currentiy stated to close at the end of September.
Iff we can extend the doediline for a fow montits, we


Talla Stemberg
For more information please contact:
Datna Barak, Free Zoness Council
P.O. Box 2074 Tel Aviv, strael
Telephone: 972-3-5617228 Fax: 972-3-561 7288


ISRAEL GOVERNMENT LIST
Here is a fist of leraorfs ministries, the new mimisters and
treir poritical parties:
 Minkstar of fintrastructuree Mr Ariel Sharon, (Llauc).
 Intorior Mr Er Suissa, (Shas). Mer Porish, (United Torah Judasam. and industry: Mr Natan Sharanskly, Misrael Ba'alyah, new immigrants' parth). No'eman, externar appofinment (Shas an hoiligious Aftarys No appointment yet - heid for Shiss and





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## Netanyahu's new course


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## SPORT / ARCHITECTUR <br> Why Britain's élite lags the world

Keith Wheatley describes a sub-plot to the Games-in-the-oven that start this week


## A footbridge

 to the futureColin Amery on the FT's design








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 Gilbert Soctit, the deasgerer of diancing with lasers and hof
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## Convergent evolution makes news

Louise Kehoe on a pioneering, tuly integrated TV/Net service



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irline passengers travel
ling between ainport and central Lon
don can look forward to more, more commortable jounney as
moree moden rail links are created trer the next year or so.
Travellers now have the tire of the Undergronnd's picica Hilly line trains, the Airbus servic or a traxi Underground is freqnently
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## Rail links take the hike out of Heathrow


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Charles Batchelor




ANOTRER RENOTE MONTAN LOCATION SERIVIEES

ZURICH. Wednesday, August 9 -If youpre an you have the Express Cardmember, just knowiius you're not a Cardmember, just knowing how tu reach us can be every hit as comforting.

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LETTERSTO THE EDITOR
Number One Southwark Bidge tondoa SE1 9HL

Preference that hinders competition
From Dr Jors
Schininmehterugi.
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## The necessary pain of transition



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Sense of humour not too much in evidence





## Personal View • Richard Layard

## Time to give the bear a hug

embrace Russia a it did Germany after the second world war


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financial times monday fuly 151996

| FINANCLAL TIMES |  |
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| $44 \cdot 171$ | $171-4075700$ |
| Monday July 151996 |  |
|  |  |
| on Ulster |  |
| There can be no disguising the damage done to prospects for peace in Northern Ireland by the events of the past week. The Republican movement, which sucsugport during the IRA ceasefire, -wi. Nnow attempt to exploit the subisequent breakdown of public subsequent breakdown of public order in an attempt to legitimise its reversion to violenca. Mioderate unionists have foumd themselves sidelined as milltants in the provlice's Orange Order have songht The reassert Protestant supremacy. The danger now in thet loyalist in ending their ceasefire. <br> The latest outbreaks of rioting and bombing take the proviace back to the worst days of the early 1970s. The work done hy the <br> on the routes of Orange marches. For their part, constiturtional politicians in tha province have ceded too much ground to the failed to exent authority tin perslaading their community to balance ener rights theirnst nationalist neighbourrs. John Hume, leader of the republican movement away enonè to Emd conman ervand with mainstream puionists. moderate leaders are cleanty determined to move forwand Giving is a sure recipe for getting nowhere. |  |
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| back to the worst days of the early nowhere. <br> 1970s. The work done hy the <br> Northem Ireland Office daring a <br> generation of direct rule to build <br> No easy way |  |
| n- or quasi nontyovernmen- | But there is istle to be served now br rearintatios. can |
| lan divide seens to lie in ruins, | pretend there is an esasy way |
| Northern Ireland's two communi- out of the ties appear polarised behind the duty |  |
| mitransigent leaders. <br> The destruction of the killogher |  |
| Iin Hotel in Enniskiliten is all too symbolic, not only because it was |  |
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| the province for nearly two years. ate anger felt in the provel was a successetil private Hin . Mr Jobn Ma |  |
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| venture, at the heart of Northern minton surdy recogise that onlyLreland's rapidy revivin touristthe estremists bemefit when their |  |
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| peaceful and prosperovs future to action by the security forces which so many in Ulister were against the paramilitaries. |  |
| looking forward, and which others had tried so hard to help |  |
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| arkjeve. . . . |  |
| Loyalist rioting |  |
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| takes clearly were made once Sir Hugh Annestey, hesa of the Roym |  |
| Hugh Annessey, head, of the RovyalUISter Constabulary, hasi decided |  |
| to ban the Orange Order march violence can be cootataned it will |  |
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| In the face of loyalist rioting was |  |
| Patrick Mayhex, the Northerin Northerin reland's oonstitutionial |  |
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## Burma's junta under pressure

| Burma is becoming an awhwari problem for the international com munity, now that the ruling - and ahsuruly named - State Law and Order Restoration Council has stepped up its campaign against Ms Aung Sang Suu Kyinw National League for Democracy won the 1990 elections. <br> it recently arrested NLD mem- | world views it and could blithely yoycott mounted by the West. Other investors will step into the brewery projects. There is little could scmpper the gas pipeline which is Burma's major miternational project. <br> At the other end of the speec |
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| ss the pressure from South | it proceeds with plans to make |
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| "In a free market, profit is society's reward for those who serve its interests." <br>  <br>  |
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## FINANCIAL TIMES <br> Monday July 151996

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Games of patience at Burma's stock market By Ted Eardacke in Rangoon kers to set wo in business and



US team seeks to speed Russian reforms



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islative and tax obstacles block. ing several molti-bilioo dollar
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liberailsition of Russia's trade regime in retura for backing the
country's aspirations to jail the World Trade Organisatlon
Mr Wiliam
defence secty
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weapons has caused much inter-
national alamm Some American commentators
argue that the US should raiso its




 adopted a concciliatary tone ove
Natos' plans to embrace forme
Soviet bloc conntiea bloc countries.
Personal View, Page 14
Observer, Page 15



[^0]:    CINVEN / INDEPENDENT / VISION

[^1]:    景

